

USOE Official IT Policies and Procedures	
<b>Policy: Hardware and Software Purchases and Tracking</b>	<b>Page: 1 of 7</b>
<b>Subject: This document outlines the policies and procedures for control of hardware and software purchases and tracking within the USOE.</b>	<b>Data Modified: 10/13/08</b>
<b>Purpose:</b>	

Historically, except for central servers, acquisition of hardware and some software has been decentralized. Each section made their own purchasing decisions based on broad standards set by Computer Services. Each section decided what and when to buy and there were occasions when hardware or software entered the Agency without Computer Service's knowledge. These occurrences sometimes created security, licensing, configuration and management problems. This decentralized purchasing environment developed because of multiple and varied funding sources (State, Federal, Grants etc.) found within each section, thus making centralized funding and budgeting for the entire agency impractical.

Software has been handled a bit differently than hardware. Software such as operating systems, databases and office-wide productivity tools has been purchased for all computer systems within the agency by Computer Services. This has been most beneficial in keeping all users current on the same versions of software and enabling central control of licensing. Even when a software product didn't impact every section, the general rule has been that, if the software were to be used in two or more sections, Computer Services would make the purchase. Otherwise, if the software were only to be used in one section it was that section's responsibility to purchase and help manage the software.

This document outlines a plan for consolidating most of these activities within the Computer Services section. The objectives are:

1. More efficient ordering.
2. Lower cost (more bulk purchases at optimum times).
3. More hardware standardization
4. Better control of technology assets
5. Better licensing compliance which results in less waste and more accurate information in the event of external audits

### **Initiation of hardware and software purchases**

- Regardless of which section of the USOE is making the purchase **all hardware and software purchase orders will be prepared by**

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### Computer Services.

- The section requesting the purchase must **provide a short justification and the necessary accounting codes** for charging the purchasing section. The USOE Computer Service's Network staff will review these requests within two business days and, **if found acceptable, they will instruct the Computer Services accounting technician to prepare a purchase order (C-8)** within one business day.
- **If Computer Services has any concerns** about the request they will be discussed with the requesting section. **This may result in:**
  - 1) **Acceptance** of the request as is
  - 2) **Modification** of the request
  - 3) **Withdrawal** of the request
- If Computer Services identifies **an opportunity to combine multiple requests** into one larger order to benefit from a volume or time-of-year price break, Computer Services may recommend to the sections involved that **some purchases be delayed until like orders can be combined.**
- For **items needing USOE Finance Committee Approval** due to overall expense **the requesting section must be prepared to defend** those purchases to the committee
- For items that do not fall within the scope of the State Computer Stores purchasing agreement and cost more than the threshold for a competitive purchase, **a formal State proposal and bid process may need to be initiated.** Examples of such instances could include software acquisitions such as an online testing system or an adult education accounting system. **Computer services will collaborate** with the requesting section to help define the technical portions of such proposals.

### Receipt of products

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All physical deliveries are made to the USOE accounting section's receiving agent.

- As soon as any computer hardware or software is received from the shipper, the computer **hardware or software is transferred to the USOE Computer Services network staff** for unpacking.
- Computer Services will **return packing documents and invoices to the purchasing agent**. Sometimes Computer Services will find it necessary to add a clear succinct product description for easier understanding. If software is downloaded a similar process will occur, only electronically.
- All item(s) will be inventoried and tagged before delivery to the purchasing section.
  - If an invoice indicates a single purchase of **over \$5000 a blue State fixed asset tag is provided** for each item by the budget and accounting officer in charge of fixed assets.
  - Items under **\$5000 get an white agency asset tag from the Computer Services** tech assigned to inventory control.
  - As part of the inventory process Computer Services will acquire **serial numbers, license numbers, description and units as well as the term and cost of support and maintenance agreements**. These will be recorded into either the State Finance fixed asset inventory and/or the local (under \$5K) inventory.
  - The inventory tag will be affixed to the hardware in a prominent position. In the case of **software, the tag will remain with the license agreement in a paper file**.
  - The budget and accounting officer will not actually record the asset in the State Finance fixed asset inventory system until payment is made. In the event that the **asset is returned, the tag will be removed**,

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**destroyed and accounting will make necessary adjustments.**

- The inventory process **will not encompass the tracking of what funds were used** for the purchase. If that is necessary, the purchasing section must take responsibility of tracking which funding sources were used to purchase with products and services.
- If necessary, **hardware will be configured according to agency specifications.** In some cases sections will need assistance with the installation of software.

### **Surplus Property**

When it comes time to surplus any computer equipment, that equipment will be brought to Computer Services where Computer Services will complete a SP-1 (surplus form) for the items in questions including tag number, serial number and description. Computer Services will assure all data on all permanent storage devices has be thoroughly deleted.

- Computer services will **retain a copy of the SP-1 and remove items under \$5000 from their local inventory system** (actually mark as surplus).
- For items **over, \$5000 the budget and accounting officer will remove the items from the State fixed assets inventory.**
- Before any item is surplused it **will be considered by Computer Services for possible recycling** within the agency.
- Using copies of the SP-1s, an accountant or a computer service's technician meet with a representative from State Surplus Properties at the time the items are picked-up. They **confirm that only those items, and all of those items,** on the list(s) are taken off the USOE property as surplus.

### **Hardware Upgrading Schedules**

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In an effort to assure adequate technology capacity and functionality Computer Services will advise (via NAG, Network Administrator's Group) sections when they should be considering upgrading hardware.

- Hardware upgrades are usually driven by **changes in software**. Since even the same software product is not always upgraded in a predictable manner either in terms of time or performance demands, it is difficult to set a firm schedule for hardware replacements.
- Historically, assuming reasonably state-of-the-art machines have been purchased, one can generally **anticipate a 3-4 year upgrade cycle** with 3 being the norm.

### Software Upgrading Schedules

USOE software will be upgraded to the most current major release or version as those newer releases or versions become available. Service packs, bug fixes, etc. should always be applied as they become available.

- To do so, all software should be kept on some type of maintenance or support plan. However, this does not mean that all software must be registered in an upgrade program such as Microsoft's Software Assurance plan, if it proves to be more economical to purchase new licenses as major new release become available. For example, Computer Services would not enter into a software assurance plan for Office 2003 because the plan would usually cost more than the purchase of all new licenses for the next version of Office (200N) when it becomes available. If new versions or upgrades become available more frequently, then joining a maintenance or assurance plan might be justifiable.
- Computer Services will install all patches for the versions of any software currently owned and will use vendor support, on a per incident basis, as the need arises.

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- If Computer Services has purchased and paid for a particular software license that is in use by two or more USOE sections then Computer Services is responsible for budgeting adequate funds for necessary maintenance and support costs. Otherwise, the individual section is responsible for such costs.
- Computer Services will not be responsible for software that passes it's "end of life" and fails because it has not been properly updated.
- In the event one section purchases small volumes of niche/specialty software products for its own use that section becomes responsible for all funding, maintenance and support functions. Such purchases must still be approved by and purchase orders completed by Computer Services.
- In all cases Computer Services will monitor software usage to make sure there are adequate licenses for all purchased software.

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**Message to NAG Members and anyone else involved with USOE sections' computer hardware purchases.**

Starting Oct 10, 2006 there will be a change in procedures involving purchases of computers USOE. Due to recent findings in federal reviews, it is necessary for USOE to more carefully track computers from purchase to surplus.

This requires two changes:

- 1) All USOE computers, existing and newly purchased, will be identified and tracked by new network software. No user action is required since the IT staff will handle this item.
- 2) Computers that are purchased will require approval by the Computer Services section. Each section will make use of Dell's Premier State purchasing Website to begin the process by specifying the requested hardware and receiving a Dell e-Quote. After the e-Quote is forwarded to Computer Services (purchasing liaison, Mark Wagstaff) and approved; the section will be notified to prepare a PO (C-8) for the hardware and to send the C-8 on through the normal path for additional approvals by an associate superintendent and accounting.

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Purchases that include equipment for the initial purchase of a computer such as monitors do require IT approval and need to be entered into the C-8 purchasing system through the process described above for computers.

Purchases of peripheral equipment after a computer has been put into service will be independently purchase by each division (on state contract from a state “Computer Store” such as Dell) as has always been done and do not require pre-approval from Computer Services. Such purchases typically include items such as upgraded optical drives, keyboards, mice and larger hard drives

USOE Technology Purchasing Work Flow (compliance Title I audit finding 3.9)

